



Who Benefits from the Current Iraqi Regime

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France

- 22.5% of Iraq's imports come from France.
- France recently became Iraq's largest European trading partner. Sixty French companies conducted an estimated \$1.5 billion in trade with Baghdad in 2001 under the UN oil-for-food program.
- France's largest oil company, Total Fina Elf, has negotiated extensive oil contracts to develop the Majnoon and Nahr Umar oil fields in southern Iraq, estimated to contain as much as 25% of Iraq's oil reserves.
- France's Alcatel company, a major telecom firm, is negotiating a \$76 million contract to rehabilitate Iraq's telephone system.
- French companies have signed contracts with Iraq worth more than \$150 million that are suspected of being linked to its military operations (including refrigerated trucks used as mobile bioweapons labs).
- Iraq owes France an estimated \$6 billion from arms sales in the 1970s and '80s.
- From 1981 to 2001, France was responsible for over 13% of Iraq's arms imports.

Germany

- Direct trade between Germany and Iraq amounts to about \$350 million annually, and another \$1 billion is reportedly sold through third parties.
- Saddam Hussein has ordered Iraqi domestic businesses to show preference to German companies as a reward for Germany's "firm positive stand in rejecting the launching of a military attack against Iraq."
- Iraq owes Germany billions of dollars from obligations dating back to the 1980s.
- An article in the German daily *Tageszeitung* reported that, of the more than 80 German companies that have done business with Baghdad since around 1975 and have continued to do so up until 2001, many have supplied whole systems or components for weapons of mass destruction.

China

- 5.8% of Iraq's annual imports come from China.

- The China National Oil Company, partnered with China North Industries Corp., negotiated a 22-year-long deal for future oil exploration in the Al Ahdab field in southern Iraq.
- In recent years, the Chinese Aero-Technology Import–Export Company (CATIC) has been contracted to sell “meteorological satellite” and “surface observation” equipment to Iraq (as approved by the UN).
- CATIC also won approval from the UN in July 2000 to sell \$2 million worth of fiber optic cables that can be used for secure data and communications links between national command-and-control centers and long-range search radar, targeting radar, and missile-launch units.
- From 1981 to 2001, China was the second largest supplier of weapons and arms to Iraq, supplying over 18% of Iraq’s weapons imports.

Russia

- 5.8% of Iraq’s annual imports come from Russia. Russia’s total trade with Iraq was somewhere between \$530 million and \$1 billion for the six months ending in December of 2001.
- New contracts worth another \$200 million under the UN oil-for-food program are in process.
- Russia’s LUKoil negotiated a \$4 billion, 23-year contract in 1997 to rehabilitate the 15 billion-barrel West Qurna field in southern Iraq, pending the termination of UN sanctions on Iraq.
- In October 2001, Salvneft, a Russian–Belarus company, negotiated a \$52 million service contract to drill at the Tuba field in Southern Iraq.
- In April 2001, Russia’s Zaruezhneft and Tatneft companies received a \$13.2 million service contract to drill in the Saddam, Kirkuk, and Bai Hassan fields to rehabilitate the fields and reduce water incursion.
- A future \$40 billion Iraqi–Russian economic agreement, reportedly signed in 2002 and subject to termination of UN sanctions, would allow for extensive oil exploration opportunities throughout western Iraq. The proposal calls for 67 new projects over a 10-year time frame, including second-phase construction of a pipeline running from southern to northern Iraq and extensive drilling and gas projects.
- The former Soviet Union was the premier supplier of Iraqi arms. From 1981 to 2001, Russia supplied Iraq with 50% of its arms.
- Soviet-era debt of \$7-8 billion was generated by arms sales to Iraq during the 1980–1988 Iran–Iraq war.
- Three Russian firms are suspected of selling electronic jamming equipment, antitank missiles and thousands of night-vision goggles to Iraq in violation of U.N. sanctions.
- Russia’s Gazprom Company over the past few years has signed contracts worth \$18 million to repair gas stations in Iraq.

It is worth noting that the U.S. imported \$3.5 billion worth of Iraqi oil in 2002 (through third parties since American companies are banned from dealing directly with Iraq). In 2002, imports from Iraq accounted for only 5% of total U.S. oil imports, dropping down from 8.5% in 2001. American oil companies have not signed a contract with Baghdad since 1972.